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2018 FEB 21 AM 10:05

TENA O'BRIEN
CO & PROBATE CLERK
BENTON COUNTY, AR

ORDINANCE NO. 18-02

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF SILOAM SPRINGS, ARKANSAS ON THE QUESTION OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING THE COST OF WATER IMPROVEMENTS; LEVYING A FIVE-EIGHTHS OF ONE PERCENT (0.625%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Board of Directors of the City of Siloam Springs, Arkansas (the "City") has determined that the City is greatly in need of extensions, betterments and improvements to the City's water facilities, including particularly, without limitation, the water treatment plant and distribution infrastructure (the "Water Improvements"); and

WHEREAS, pursuant to a special election held on May 23, 2006, the City issued and has outstanding its Sales and Use Tax Bonds, Series 2007 (the "2007 Bonds"); and

WHEREAS, the 2007 Bonds financed extensions, betterments and improvements to the City's sewer facilities and are secured by and payable from collections of City-wide sales and use taxes levied at the aggregate rate of five-eighths of one percent (0.625%) pursuant to Ordinance No. 06-04 of the City adopted March 7, 2006 (collectively, the "2006 Tax"); and

WHEREAS, the 2006 Tax is expected to expire on June 30, 2018; and

WHEREAS, the Board of Directors of the City has determined that the Water Improvements can be financed without a tax increase; and

WHEREAS, the City Council proposes to finance all or a portion of the costs of the Water Improvements by the issuance of capital improvement bonds in the maximum principal amount of \$31,000,000 (the "Bonds") under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") and

WHEREAS, the Authorizing Legislation provides for the levy of a tax or taxes at the rate of 0.125%, 0.25%, 0.50%, 0.75% or 1% or any multiple thereof, but not to exceed 1% in the aggregate; and

WHEREAS, the City can pay the principal of and interest on the Bonds from the proceeds of a City-wide five-eighths of one percent (0.625%) sales and use tax to be levied under the authority of the Authorizing Legislation that is expected to become effective on October 1, 2018, which is after the date that the 2006 Tax will expire; and

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ORDINANCE NO. 18-02

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CITY & PROBATE CLERK
BEAUFORT COUNTY, AR

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the question of issuing the Bonds for the Water Improvements under Amendment 62 and the Authorizing Legislation at a special election to be called for that purpose and to levy a sales and use tax at the rate of five-eighths of one percent (0.625%) on the receipts from the sales at retail within the City of all items which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et seq.), and the receipts from storing, using, distributing or consuming within the City tangible personal property under the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et seq.) (the "Sales and Use Tax");

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Siloam Springs, Arkansas:

Section 1. There be, and there is hereby called, a special election to be held on May 22, 2018, at which election there shall be submitted to the electors of the City the question of issuing the Bonds under Amendment 62 and the Authorizing Legislation to pay all or a portion of the costs of accomplishing the Water Improvements in the maximum principal amount of \$31,000,000, to be payable from collections of the Sales and Use Tax remaining after the State of Arkansas deducts its administrative charges and required rebates.

Section 2. In order to provide for the payment of the principal of and interest on the Bonds and all obligations of the City in connection therewith, there is hereby levied the Sales and Use Tax. The levy of the Sales and Use Tax shall not become effective until the special election called in Section 1 above has been held and the issuance of the Bonds is approved by the voters. The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions.

Section 3. The question of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

BONDS AND TAX

Bonds of the City of Siloam Springs in the maximum aggregate principal amount of \$31,000,000 for the purpose of financing all or a portion of the costs of extensions, betterments and improvements to the City's water facilities, including particularly, without limitation, the water treatment plant and distribution infrastructure, and, in order to pay the bonds, the levy and pledge of a 0.625% local sales and use tax within the City.

If the bonds are approved, there will be levied within the City a 0.625% local sales and use tax (the "Bond Tax"), the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates will be used solely to retire or pay obligations with respect to the bonds in accordance with Amendment No. 62 to the Arkansas Constitution. The Bond Tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes. The Bond Tax will replace the City's existing taxes aggregating 0.625% that were levied in 2006 for the sole purpose of retiring bonds. Proceeds of the bonds may fund a debt service reserve and pay

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expenses of issuing the bonds. The bonds may be issued at one time or in series from time to time.

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BENTON COUNTY, AR

FOR

AGAINST

Section 4. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in the Authorizing Legislation and only qualified voters of the City shall have the right to vote at the election.

Section 5. The results of the election shall be proclaimed by the Mayor, and his Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

Section 6. A copy of this Ordinance shall be filed with the Benton County Clerk at least 70 days prior to the date of the special election. A copy of this Ordinance shall be given to the Benton County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

Section 7. The Mayor, City Administrator and City Clerk, for and on behalf of the City, be and they are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

Section 8. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Ordained and Enacted this 20th day of February 2018.

ATTEST:

Renee Ellis
Renee Ellis, City Clerk

(SEAL)



APPROVED:

John Mark Turner
John Mark Turner, Mayor



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TENA O'BRIEN
PROBATE CLERK
NEW COUNTY, AR

CERTIFICATE

I, Renea Ellis, the duly appointed qualified and acting City Clerk of Siloam Springs, Arkansas, do hereby certify that the above and foregoing Ordinance is a true and correct copy of an Ordinance as the same appears in the record books of said City, adopted at a regular meeting of the Board of Directors of Siloam Springs, held on the 20th day of February 2018, at which meeting a quorum of Directors was present, and said Ordinance was adopted by a vote of six ayes, no nays.

Witness my hand and seal as City Clerk of Siloam Springs, on this 21st day of February 2018.

Renea Ellis, City Clerk

